

LOUISIANA ASSET MANAGEMENT POOL  
STATE OF LOUISIANA



FINANCIAL STATEMENT AUDIT  
FOR THE YEAR ENDED DECEMBER 31, 2019  
ISSUED JUNE 24, 2020

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LOUISIANA LEGISLATIVE AUDITOR  
DARYL G. PURPERA, CPA, CFE

June 11, 2020

## Independent Auditor's Report

**BOARD OF DIRECTORS OF THE LOUISIANA  
ASSET MANAGEMENT POOL, INCORPORATED  
STATE OF LOUISIANA**  
New Orleans, Louisiana

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the fiduciary fund activities of the Louisiana Asset Management Pool (LAMP), a component unit of the state of Louisiana, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise LAMP's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial

statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the fiduciary fund activities of LAMP as of December 31, 2019, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 5 through 10 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise LAMP's basic financial statements. The accompanying Schedule of Investments is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Investments is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to

prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Investments is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 11, 2020, on our consideration of LAMP's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of LAMP's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering LAMP's internal control over financial reporting and compliance.

Respectfully submitted,



Daryl G. Purpera, CPA, CFE  
Legislative Auditor

LMF:CLL:BQD:EFS:aa

LAMP 2019





## MANAGEMENT’S DISCUSSION AND ANALYSIS

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As management of the Louisiana Asset Management Pool (LAMP Pool), we offer readers of LAMP’s financial statements this narrative overview and analysis of the financial activities of LAMP for the year ended December 31, 2019. LAMP is administered by Louisiana Asset Management Pool, Inc. (LAMP, Inc.) and its activity is included in LAMP’s combined financial statements. The two entities are collectively referred to as “LAMP.”

### FINANCIAL HIGHLIGHTS

- The assets of LAMP exceeded its liabilities at the close of the most recent calendar year by \$2,258,309,258 (net position).
- The number of participants increased by a net of 37, from 715 at December 31, 2018, to 752 at December 31, 2019.
- Interest income increased by \$12,209,554 in 2019.
- Amortization/accretion of income increased by \$4,038,011 in 2019.
- Administrative expenses increased by \$120,605 in 2019. In 2019, LAMP, Inc. rebated \$2,040,000 (cash basis) of administrative expenses back to participants. LAMP, Inc. has rebated \$18.7 million since the rebate program began in October 2006.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to LAMP’s basic financial statements. LAMP’s basic financial statements comprise three components: (1) Statement of Fiduciary Net Position, (2) Statement of Changes in Fiduciary Net Position, and (3) Notes to the Financial Statements. These financial statements include the activities of LAMP Pool and LAMP, Inc., that administers LAMP Pool. This report also contains a Schedule of Investments that is presented as supplementary information in addition to the basic financial statements.

The **Statement of Fiduciary Net Position** presents information on all of LAMP’s assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of LAMP is improving or deteriorating.

The **Statement of Changes in Fiduciary Net Position** presents information showing how LAMP’s net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, additions and deductions are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., interest receivable, accounts payable and accruals, and compensated absences payable).

**Notes to the Financial Statements.** The accompanying notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents supplementary information that lists and categorizes the investments held by LAMP at the end of the year. The Schedule of Investments can be found on Schedule 1 of this report.

## BASIC FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of an entity's financial position. In the case of LAMP, assets exceeded liabilities by \$2,258,309,258 at the close of December 31, 2019. The largest portion of LAMP's net position (99.83%) reflects its investments at fair market value. The following is a comparison of LAMP's net position to the prior year.

**Table A-1**  
**Louisiana Asset Management Pool**  
**Comparative Statement of Fiduciary Net Position**  
**As of December 31, 2019, and December 31, 2018**

	2019	2018
Cash	\$3,448,213	\$7,356,947
Investments	2,254,486,377	1,838,475,460
Interest receivable	545,074	1,090,417
Prepaid expenses	22,483	19,491
Furniture and fixtures, automobile, and office equipment, net	20,833	29,208
Total Assets	2,258,522,980	1,846,971,523
Accounts payable and accruals	148,961	135,208
Compensated absences payable	64,761	62,270
Total Liabilities	213,722	197,478
Net Position - Amounts held in trust for pool participants	\$2,258,309,258	\$1,846,774,045

- Total assets increased by \$411,551,457.
- Most of the increase in assets is attributable to participant deposits.
- Investments increased primarily because participants' deposits exceeded withdrawals from LAMP Pool.

**Changes in Fiduciary Net Position.** Investment activities and participants' transactions increased LAMP's net position by \$411,535,213. Key elements of the increase are as follows:

**Table A-2**  
**Louisiana Asset Management Pool**  
**Comparative Statement of Changes in Fiduciary Net Position**  
**As of December 31, 2019, and December 31, 2018**

	<u>2019</u>	<u>2018</u>
Additions:		
Participant deposits	\$2,998,822,175	\$2,561,556,712
From investment activities:		
Interest income	25,894,961	13,685,407
Amortization/accretion of income	27,525,226	23,487,215
Net increase in fair value of investments	238,172	
Gain on sale of investments	14,499	1,252
Total additions	<u>3,052,495,033</u>	<u>2,598,730,586</u>
Deductions:		
Participant withdrawals	(2,638,661,379)	(2,235,549,749)
Administrative expenses	(2,298,441)	(2,177,836)
Net decrease in fair value of investments		(176,466)
Total deductions	<u>(2,640,959,820)</u>	<u>(2,237,904,051)</u>
Total increase in net position	411,535,213	360,826,535
Net Position, Beginning of Year	<u>1,846,774,045</u>	<u>1,485,947,510</u>
Net Position, End of Year	<u>\$2,258,309,258</u>	<u>\$1,846,774,045</u>

- Interest income and amortization/accretion of income increased substantially due to increases in the number of participants in 2019.
- The majority of the increase in net position resulted from participants' net deposits of \$360,160,796 for 2019.

**ENTITY FINANCIAL STATEMENTS**

LAMP does not use fund accounting. However, separate accounting records are maintained for each of the entities, LAMP Pool and LAMP, Inc. To gain a further understanding of the activities of each entity, the following analyses are presented.

By far the largest portion of LAMP Pool's assets (99.8%) reflects its investments at fair market value. After the elimination of \$168,113 fees receivable from LAMP Pool, the largest portion of LAMP, Inc.'s assets (89.6%) is cash. The following is an analysis of the net position at December 31, 2019, attributable to LAMP Pool and to LAMP, Inc.:

**Table A-3**  
**Louisiana Asset Management Pool**  
**Statement of Fiduciary Net Position (by Entity)**

	<u>LAMP</u>	<u>Eliminations</u>	<u>LAMP Pool</u>	<u>LAMP, Inc.</u>
Cash	\$3,448,213		\$3,075,000	\$373,213
Investments	2,254,486,377		2,254,486,377	
Interest receivable	545,074		545,074	
Prepaid expenses	22,483			22,483
Furniture and fixtures, automobile, and office equipment, net	20,833			20,833
Fees receivable from LAMP Pool		(\$168,113)		168,113
<b>Total Assets</b>	<u>2,258,522,980</u>	<u>(168,113)</u>	<u>2,258,106,451</u>	<u>584,642</u>
Accounts payable and accruals	148,961			148,961
Compensated absences payable	64,761			64,761
Fees payable to LAMP, Inc.		(168,113)	168,113	
<b>Total Liabilities</b>	<u>213,722</u>	<u>(168,113)</u>	<u>168,113</u>	<u>213,722</u>
Net Position - Amounts held in trust for pool participants	<u>\$2,258,309,258</u>	<u>NONE</u>	<u>\$2,257,938,338</u>	<u>\$370,920</u>

In preparing the Statement of Fiduciary Net Position, monthly fees of \$168,113 payable by LAMP Pool to LAMP, Inc., were eliminated.

**Changes in Fiduciary Net Position.** Investment activities and participants' transactions increased LAMP's net position by \$411,535,213. Key elements of the changes are as follows:

**Table A-4**  
**Louisiana Asset Management Pool**  
**Changes in Fiduciary Net Position (by Entity)**

	<u>LAMP</u>	<u>Eliminations</u>	<u>LAMP Pool</u>	<u>LAMP, Inc.</u>
Additions:				
Participant deposits	\$2,998,822,175		\$2,998,822,175	
From investment activities:				
Interest income	25,894,961		25,894,961	
Amortization/accretion of income	27,525,226		27,525,226	
Net increase in fair value of investments	238,172		238,172	
Gain on sale of investments	14,499		14,499	
Administrative income		(\$2,303,769)		\$2,303,769
Total additions	<u>3,052,495,033</u>	<u>(2,303,769)</u>	<u>3,052,495,033</u>	<u>2,303,769</u>
Deductions:				
Participant withdrawals	(2,638,661,379)		(2,638,661,379)	
Administrative expenses	(2,298,441)	2,303,769	(2,303,769)	(2,298,441)
Total deductions	<u>(2,640,959,820)</u>	<u>2,303,769</u>	<u>(2,640,965,148)</u>	<u>(2,298,441)</u>
Total increase in net position	411,535,213	NONE	411,529,885	5,328
Net Position, Beginning of Year	<u>1,846,774,045</u>	NONE	<u>1,846,408,453</u>	<u>365,592</u>
Net Position, End of Year	<u>\$2,258,309,258</u>	<u>NONE</u>	<u>\$2,257,938,338</u>	<u>\$370,920</u>

- In preparing the Combined Statement of Changes in Fiduciary Net Position for LAMP, administrative fees of \$2,303,769 paid by LAMP Pool to LAMP, Inc., were eliminated. A management fee rebate from LAMP, Inc., to LAMP Pool of \$2,040,000 (cash basis) reduced the administrative expenses of LAMP, Inc., and LAMP Pool.
- Investment advisor and transfer agency/fund accountant fees of \$1,051,085 and custodial fees of \$117,591 are included in administrative expenses paid.

## ECONOMIC OUTLOOK

The Federal Reserve continued to do its part to support growth in the United States during the fourth quarter of 2019. As expected, the Federal Reserve cut rates by 25 basis points at the October Federal Open Market committee meeting, resulting in a target federal funds range of 1.50-1.75%. This was the third cut in a row in what the Federal Reserve deemed as a "mid-cycle

adjustment" to monetary policy. They cited slowing business investment and weak exports as justification for the ease. LAMP's rate of return at 2019 year-end was 1.81%.

The Federal Reserve did signal that they were going to take a break in the easing cycle, stating that the current stance of monetary policy was likely to remain appropriate. Markets reacted favorably to the news as Federal Reserve Chair Powell did a good job effectively communicating the pause while emphasizing that the Federal Reserve stands ready to act if the economic outlook deteriorates. Following this guidance, the Federal Reserve held rates steady at the December Federal Open Market committee meeting, and the dot plot forecast showed that a majority of Federal Reserve members expected rates to remain unchanged throughout 2020.

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of LAMP's finances for all those with an interest in LAMP's finances. For questions concerning any of the information provided in this report or requests for additional financial information, please access the LAMP website, [www.lamppool.com](http://www.lamppool.com), or call the LAMP office at (504) 525-LAMP (5267) or toll free at (800) 249-LAMP (5267) and ask for Krissy Orgeron.

**LOUISIANA ASSET MANAGEMENT POOL  
STATE OF LOUISIANA  
FIDUCIARY FUND - INVESTMENT TRUST FUND**

**Statement of Fiduciary Net Position, December 31, 2019**

**ASSETS**

Cash (note 2)	\$3,448,213
Investments (note 3)	2,254,486,377
Interest receivable	545,074
Prepaid expenses	22,483
Furniture and fixtures, automobile, and office equipment, net (note 1-F)	<u>20,833</u>
<b>TOTAL ASSETS</b>	<u><u>2,258,522,980</u></u>

**LIABILITIES**

Accounts payable and accruals	148,961
Compensated absences payable (note 5)	<u>64,761</u>
<b>TOTAL LIABILITIES</b>	<u><u>213,722</u></u>

**NET POSITION - AMOUNTS HELD IN TRUST  
FOR POOL PARTICIPANTS**

\$2,258,309,258

The accompanying notes are an integral part of this statement.





**LOUISIANA ASSET MANAGEMENT POOL  
STATE OF LOUISIANA  
FIDUCIARY FUND - INVESTMENT TRUST FUND**

**Statement of Fiduciary Changes in Net Position  
For the Year Ended December 31, 2019**

**ADDITIONS**

Participant deposits	\$2,998,822,175
From investment activities:	
Interest income	25,894,961
Amortization/accretion of income	27,525,226
Net increase in fair value of investments	238,172
Gain on sale of investments	14,499
Total additions	<u>3,052,495,033</u>

**DEDUCTIONS**

Participant withdrawals	(2,638,661,379)
Administrative expenses	<u>(2,298,441)</u>
Total deductions	<u>(2,640,959,820)</u>

Total increase in net position	411,535,213
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<b>NET POSITION, BEGINNING OF YEAR</b>	<u>1,846,774,045</u>
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<b>NET POSITION, END OF YEAR</b>	<u><u>\$2,258,309,258</u></u>
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The accompanying notes are an integral part of this statement.



## NOTES TO THE FINANCIAL STATEMENTS

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### INTRODUCTION

The Louisiana Asset Management Pool (LAMP) is an investment pool established as a cooperative endeavor to enable public entities of the state of Louisiana to aggregate funds for investment. The cooperative endeavor was formed, in part, in reliance upon *Opinion 92-192* (March 31, 1992) issued by the Louisiana Attorney General's Office, which noted that public entities may pool funds for investment purposes. The investment pool is intended to improve administrative efficiency and increase investment yield of participating public entities. Public entities, as defined by Article XIX of LAMP's Articles of Incorporation, include the instrumentalities and political subdivisions of the State of Louisiana; parishes, municipalities, or other subdivisions of government; any entity created by, subject to the administration of, or otherwise governed by any university, hospital, or retirement system; and any other entity which may be designated as a public entity by the president of LAMP. Section XIX of LAMP's Articles of Incorporation specifically exclude the state of Louisiana and its departments from participation in the investment pool. As of December 31, 2019, there were 752 voluntary participants in the pool.

LAMP is administered by Louisiana Asset Management Pool, Inc. (LAMP, Inc.), a nonprofit corporation formed under the provisions of Chapter 2, Title 12 of the Louisiana Revised Statutes, as amended, the Louisiana Nonprofit Law, Louisiana Revised Statute (R.S.) 12:201 *et seq.* pursuant to Section 115 of the Internal Revenue code of 1986, as amended. LAMP, Inc. (the Corporation) was formed to manage and administer or provide for the orderly management and administration of LAMP.

Article VIII of LAMP's Articles of Incorporation provides that the Treasurer of the State of Louisiana is the sole Administrative Member of the Corporation. The Board of Directors of the Corporation consists of nine to 14 pool participants plus the administrative member, who is President of the Corporation. Board members are elected annually by participants, except the President, who is a standing member of the board. As of December 31, 2019, there were 13 members of the Board of Directors. Board members can serve for a maximum of three one-year terms, and all board members serve without compensation. LAMP, Inc., has two compensated officers, a chief executive officer and a chief administrative officer, and one full-time employee and is subject to the regulatory oversight of the State Treasurer and the Board of Directors. LAMP is not registered with the SEC as an investment company.

The Corporation entered into a contract with a custodial bank, Regions Bank, on September 15, 2016, with an initial term of three years with the option to renew for two additional one-year periods. The initial three year period ended on September 15, 2019. The Corporation exercised the option for the first additional one year period on the contract for the period of September 15, 2019 to September 15, 2020.

The Corporation entered into a contract with American Beacon Advisors to manage the

investment portfolio, commencing January 1, 2016, for a period of 21 months with options to renew the contract for two additional 12-month periods. During the year ended December 31, 2018, the Corporation exercised the option to renew the contract for a 12-month period. In October 1, 2019, the contract was renewed for a period of three years with options for two additional 12-month periods.

The Corporation entered into a contract effective August 1, 2015, with Public Trust Advisors, LLC, to serve as fund accountant and transfer agent until August 1, 2018, with the option to renew for two consecutive one-year periods. The Corporation exercised the option to renew for two consecutive one-year periods. The Board of Directors approved a draft request for proposal (RFP) for the fund accountant and transfer agent during the December 2019 meeting. The issue date for the RFP has been delayed due to the COVID-19 pandemic.

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **A. BASIS OF PRESENTATION**

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and reporting principles. To present fairly the net position and change in net position for LAMP, the assets and operations of the investment pool and LAMP, Inc., have been combined. All inter-entity accounts, balances, and transactions have been eliminated.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

### **B. REPORTING ENTITY**

Using the criteria in GASB Codification Section 2100, the Division of Administration, Office of Statewide Reporting and Accounting Policy (OSRAP), has defined the governmental reporting entity to be the state of Louisiana. OSRAP considers LAMP to be a component unit (investment trust fund) of the state of Louisiana because the state has financial accountability in that the State Treasurer, as the Administrative Member, is a standing member of the Board of Directors, supervises and controls the affairs of the Corporation, and has the power and authority reasonably necessary to direct the operations and activities of the Corporation. The State Treasurer serves as President of the Corporation and shall serve as a member of the Executive Committee and any other committee or task force created. The chief executive officer and chief administrative officer serve at the will of the Executive Committee of the Board of Directors of the Corporation. The accompanying financial statements present information only as to the balances of LAMP, a component unit of the state of Louisiana. Annually, the state of Louisiana issues basic financial statements, which include the activity contained in the

accompanying financial statements. The state's basic financial statements are audited by the Louisiana Legislative Auditor.

### **C. BASIS OF ACCOUNTING**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The financial statements of LAMP are prepared using the economic resources measurement focus and the accrual basis of accounting. Accordingly, additions are recognized when earned and deductions are recognized when incurred.

### **D. CASH AND INVESTMENTS**

Cash represents amounts on deposit with the custodian, fiscal agent banks, and/or the investment advisors. Under state law, LAMP may deposit funds with a fiscal agent bank organized under the laws of the state of Louisiana, the laws of any other state in the Union, or the laws of the United States. LAMP's permissible investments are set forth in R.S. 33:2955 and are further limited in accordance with investment guidelines promulgated by the Board of Directors. LAMP's Statement of Investment Guidelines authorizes investments in various investment products, including U.S. Treasury bills or notes, Federal Home Loan Bank notes, Federal National Mortgage Association notes, Federal Farm Credit Bank notes, Student Loan Marketing Association notes, and other investments as approved by the Board of Directors.

To provide for the required liquidity for withdrawals from LAMP, all investments shall have, at the time of purchase, a maximum remaining maturity of 397 days or 762 days for U.S. Government floating/variable-rate investments, and the dollar weighted-average maturity of LAMP shall not generally exceed 60 days. LAMP voluntarily complies with Standard & Poor's requirement for AAAM-rated funds to restrict the average-weighted maturity of investments to 60 days or less to maintain its AAAM rating for the LAMP Pool.

LAMP has not obtained any legally-binding guarantees during the period to support the value of the shares, since all investments are short-term, highly-liquid securities.

### **E. PREPAID EXPENSES**

Prepaid expenses primarily consist of prepayments of insurance, rent, and other administrative expenses.

**F. FIXED ASSETS**

Furniture and fixtures, office equipment, computer equipment, and the automobile for the Corporation are included on the statement of fiduciary net position at historical cost, net of accumulated depreciation. Depreciation of all fixed assets is charged as an administrative expense. Depreciation for financial reporting purposes is computed by the straight-line method over the estimated useful lives of five to seven years for the assets. A summary of changes in furniture and fixtures, office equipment, computer equipment, and the automobile follows:

	Balance December 31, 2018	Additions	Deletions	Balance December 31, 2019
Furniture and fixtures	\$34,911			\$34,911
Office equipment	6,412			6,412
Computer equipment	39,364	\$4,217	(\$4,639)	38,942
Automobile	45,563			45,563
Total	<u>126,250</u>	<u>4,217</u>	<u>(4,639)</u>	<u>125,828</u>
Less accumulated depreciation	<u>(97,042)</u>	<u>(12,592)</u>	<u>4,639</u>	<u>(104,995)</u>
Net furniture and fixtures, office equipment, computer equipment, and automobile	<u>\$29,208</u>	<u>(\$8,375)</u>	<u>NONE</u>	<u>\$20,833</u>

**2. DEPOSITS WITH FINANCIAL INSTITUTIONS**

For reporting purposes, deposits with financial institutions consist of demand deposits and funds received from participants for investment in a bank account. LAMP may also invest in time certificates of deposit in state banks organized under the laws of Louisiana and national banks having their principal offices in the state of Louisiana.

As reflected on the Statement of Fiduciary Net Position, LAMP has deposits in bank accounts totaling \$3,448,213 at December 31, 2019.

The deposits (book balances) at December 31, 2019, consisted of the following:

Demand deposits	\$373,213
Custodial deposits	<u>3,075,000</u>
Total	<u><u>\$3,448,213</u></u>

The following is a breakdown by banking institution, program or type, and amount of the collected bank balances shown previously:

<u>Bank Institution</u>	<u>Program or Type</u>	<u>Amount</u>
Regions	Operating Account	\$386,577
Regions	Bank Account	<u>3,017,425</u>
Total		<u><u>\$3,404,002</u></u>

Custodial credit risk is the risk that, in the event of a bank failure, LAMP's deposits may not be recovered. Under state law, LAMP's deposits must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. The fair market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in LAMP's name by the pledging bank or by a holding or custodial bank that is mutually acceptable to both parties.

### 3. INVESTMENTS

Investments of \$2,254,486,377, as presented on Statement A, are reported at fair value. The investments are comprised of several different types of investment securities. The following tables itemize the investments, the range of maturity dates and yields of each category of investment, the fair value of investments, the face amount of the investments, the carrying value at amortized cost at December 31, 2019, and the change in investments during the year.

<u>Investment Securities</u>	<u>Maturity Dates</u>	<u>Yield to Maturity</u>	<u>Face Amount at December 31, 2019</u>	<u>Carrying Value (Amortized Cost) at December 31, 2019</u>	<u>Fair Value at December 31, 2019</u>
Federal Home Loan Bank notes	1/8/2020 to 3/12/2021	1.59 to 2.03%	\$470,000,000	\$468,605,121	\$468,605,963
Federal Farm Credit Bank notes	2/5/2020 to 12/23/2021	1.58 to 1.91%	220,400,000	220,362,480	220,306,239
Treasury Bill	1/23/2020	2.04%	10,000,000	9,987,747	9,990,750
Commercial paper	1/17/2020 to 12/4/2020	1.82 to 2.24%	1,089,560,000	1,086,336,230	1,086,626,798
Repurchase agreements*	1/2/2020 - 1/7/2020	1.52 to 1.57%	<u>468,956,627</u>	<u>468,956,627</u>	<u>468,956,627</u>
Total			<u><u>\$2,258,916,627</u></u>	<u><u>\$2,254,248,205</u></u>	<u><u>\$2,254,486,377</u></u>

\*For repurchase agreements, the cost of investments approximates fair value.

	Change in Investments	
	Amortized Cost	Fair Value
Balance, December 31, 2018	\$1,838,651,926	\$1,838,475,460
Add:		
Investment purchases	138,460,705,868	138,460,705,868
Amortization/accretion of income	27,348,760	27,348,760
Market value adjustment		238,172
Total	<u>138,488,054,628</u>	<u>138,488,292,800</u>
Less:		
Investment maturities	(138,072,458,349)	(138,072,458,349)
Prior year fair market value adjustment		176,466
Total	<u>(138,072,458,349)</u>	<u>(138,072,281,883)</u>
Balance, December 31, 2019	<u>\$2,254,248,205</u>	<u>\$2,254,486,377</u>

Unrealized investment gains exceeded unrealized investment losses by \$238,172 at year-end. This net unrealized investment gain is reflected in the year-end investments since they are reported at fair market value.

For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, LAMP will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The investments are registered in the name of LAMP and are held in the custodial bank's trust account at its custodial agent or at the Federal Reserve. During the year ended December 31, 2019, there were no uninsured and unregistered investments held by the counterparty, or by its trust department or agent, which were not in LAMP's name.

Concentration of credit risk is the risk of loss attributed to the magnitude of an entity's investment in a single issuer. LAMP's investment policy limits investments in variable rate issues to 25% of the total assets of LAMP. Investments in money market funds are limited to no more than 25% of the total assets of LAMP, and no more than 10% may be invested in any single money market fund at any time. Investments in commercial paper are limited to no more than 50% of the total assets of LAMP. At the time of purchase, no more than 5% of assets may be in any one issuer, and no more than 25% of assets may be in any one industry, except banking.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. R.S. 33:2955 permits investment in A-1 rated commercial paper for political subdivisions of Louisiana. Accordingly, LAMP's investment guidelines permit the investment of LAMP funds in commercial paper of domestic U.S. corporations rated A-1 or A-1+ by Standard & Poor's or P-1 by Moody's Investor Services, Inc., or the equivalent rating by a national recognized statistical rating organization (NRSRO). Furthermore, LAMP's investment



policy minimizes credit risk by allowing investments only in federal agencies backed by the U.S. government and government-only money market funds rated AAA by Standard & Poor's. At December 31, 2019, LAMP's investments in commercial paper are either A-1 or A-1+ rated.

LAMP guidelines require that when an A-1 or A-1+ investment is placed on a watch list with negative implications by a rating agency, the advisor is required to sell the investment as soon as practical, but no later than 30 days.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. LAMP's investment policy minimizes interest rate risk by limiting the weighted-average maturity of its investments to 60 days or less for all investments.

GASB Statement No. 72, *Fair Value Measurement and Application*, requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels:

- Level 1 inputs – The valuation is based on quoted market prices for identical assets or liabilities traded in active markets;
- Level 2 inputs – The valuation is based on quoted market prices for similar instruments traded in active markets, quoted prices for identical or similar instruments in markets that are not active, and inputs other than quoted prices that are observable for the asset or liability;
- Level 3 inputs – The valuation is determined by using the best information available under the circumstances and might include the government's own data. In developing unobservable inputs, a government may begin with its own data but should adjust those data if (a) reasonably available information indicates that other market participants would use different data or (b) there is something particular to the government that is not available to other market participants.

The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment's risk.

Assets classified in Level 1 of the fair value hierarchy are valued directly from a predetermined primary external pricing vendor. Assets classified in Level 2 are subject to pricing by an alternative pricing source due to lack of information available by the primary vendor. Assets classified in Level 3, due to lack of an independent pricing source, are valued using an internal fair value as provided by the investment manager.

Fair values of assets measured on a recurring basis at December 31, 2019, are as follows:

	Fair Market Value	Quoted Prices In Active Markets for Identical Assets Level 1	Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Debt securities:				
Federal Home Loan Bank notes	\$468,605,963	\$ 418,614,463	\$49,991,500	
Federal Farm Credit Bank notes	220,306,239		200,305,039	20,001,200
Treasury Bill	9,990,750		9,990,750	
Commercial paper	1,086,626,798		1,011,631,798	\$74,995,000
Total debt security investments by fair market value level	<u>\$1,785,529,750</u>	<u>418,614,463</u>	<u>\$1,271,919,087</u>	<u>\$94,996,200</u>
Investments not measured at fair market value:				
Repurchase agreements	<u>\$468,956,627</u>			
Total investments not measured at fair market value	<u>468,956,627</u>			
Total investments	<u><u>\$2,254,486,377</u></u>			

Level 2 investments listed in the above table are valued using prices quoted by Bloomberg Professional Services and are based on other observable inputs which are obtained by LAMP's fund accountant, Public Trust Advisors.

Level 3 investments listed in the above table are valued using ICE Data Services, which offers continuous fixed income evaluated pricing. Coverage includes U.S., EMEA, and Asia Pacific corporate and sovereign bonds, convertible bonds, and money market instruments as well as U.S. MBS TBAs, U.S. MBS pass-throughs, U.S. agency/government sponsored enterprises (GSE) debentures, U.S. bank loans, U.S. preferred stocks, and U.S. Municipal Bonds.

#### 4. INVESTMENT INCOME

Interest income and amortization/accretion of income are recognized when earned using the full accrual method of accounting. Gains or losses on sales of investments are recognized using the specific identification method. The calculation of realized gains and losses is independent of the calculation of the net change in fair value of investments. Realized gains and losses on investments that were held in more than one calendar year and sold in the current year were included as a change in fair value of investments reported in the prior year and the current year.

The investments in LAMP are stated at fair value based on inputs as defined in note 3, and any increases or decreases are reported as net increase (decrease) in the fair value of investments.

The fair value of investments is determined on a weekly basis to monitor any variances between amortized cost and fair value.

One or more accounts can be established for each public entity investing in LAMP. Interest is calculated on a daily basis and added to principal of each depositing member's account as of the end of the day. For purposes of determining participants' shares sold and redeemed, investments are valued at amortized cost. For financial statement purposes, investments are reported at fair value.

At the direction of the public entity, funds are transferred from any such account to a designated local depository bank on any business day. Each depositing public entity owns a proportionate, undivided, fractional interest in each asset comprising LAMP.

The objective of LAMP is to provide safety of principal and daily liquidity with a competitive rate of return to members by pooling monies. The following table shows, by quarter, the average daily yield percentage (annualized on a cumulative basis) of LAMP for the year ended December 31, 2019.

<u>Three-month Period Ended</u>	<u>Annual Interest Rate</u>
March 31, 2019	2.47%
June 30, 2019	2.45%
September 30, 2019	2.24%
December 31, 2019	1.81%

## **5. COMPENSATED ABSENCES PAYABLE**

The Corporation has three employees: two officers and one full-time administrative staff person. These employees are provided vacation and sick leave on a cumulative basis. Hours of vacation and sick leave earned are based on the number of years of service. Vacation leave cannot be used until after the first six months of employment but may be carried forward into the next year at a rate of 2.5 times the employee's annual accrual or a maximum of 300 hours, whichever is less. A maximum of 300 hours of vacation leave is payable upon termination. Sick leave may be carried forward into the next year with no limitation but is not payable upon termination. Compensatory time earned may be carried forward into the next year but is not payable upon termination. A compensated absence liability of \$64,761 as of December 31, 2019, is included in the financial statements. No other postemployment benefits exist.

## **6. RETIREMENT PLAN**

Effective January 1, 2010, under LAMP's Simplified Employee Pension Retirement Plan, which was established on October 1, 2001, the employer contributes an amount equal to 12% of the employees' monthly salaries to the plan. The employer contributions for 2019, 2018, and 2017 totaled \$53,881, \$51,809, and \$49,342, respectively.

## 7. ADMINISTRATIVE CHARGES

Under the agreement with American Beacon Advisors, which became effective October 1, 2019, the Corporation pays an annual advisory fee (calculated and remitted monthly) based upon LAMP's average daily net assets as follows:

<u>Asset Value</u>	<u>Basis Point Fee</u>
First \$1.0 billion	4.0
Over \$1.0 billion	1.0

Under the agreement with Public Trust Advisors, LLC, which became effective August 1, 2015, the Corporation pays a daily fee (divided by 365 days) are calculated as follows:

<u>Asset Base</u>	<u>Basis Point Fee</u>
First \$1.0 billion	3.5
Next \$500 million	2.5
Next \$500 million	1.0
Over \$2 billion	0.0

Under the custodial agreement with Regions Bank, which became effective September 15, 2016, the Corporation pays a custodial fee (calculated and remitted quarterly) based on LAMP's average daily net assets as follows:

<u>Asset Base</u>	<u>Basis Point Fee</u>
First \$1.5 billion	0.55
Next \$500 million	0.50
Over \$2 billion	0.40

During the year ended December 31, 2019, investment advisor fees and transfer agency/fund accountant fees of \$1,051,085 and custodial fees of \$117,591 were incurred.

LAMP, Inc., is paid an administrative fee for the administration of LAMP. The Executive Committee of LAMP, Inc., has oversight authority with respect to the amount of administrative fees deemed necessary to properly administer LAMP. The overall fee charged to the LAMP pool is capped at 19.5 basis points. The fee is calculated monthly based on LAMP's average daily net assets. Fee income generated that is not needed to pay expenses is returned to the LAMP pool through the fee rebate program. LAMP, Inc. may adjust its administrative fee

proportionately so that the total of all expenses does not exceed the maximum approved by the board.

During the year ended December 31, 2019, administrative fees of \$2,298,441 were incurred. In addition, inter-entity fees totaling \$2,303,769 have been eliminated in the accompanying financial statements. In addition, administrative fees totaling \$2,040,000 (cash basis) were returned to LAMP Pool under LAMP's Fee Rebate Program.

## 8. OFFICE LEASE

LAMP, Inc., has an operating lease for office space. Rental expense for the operating lease during the year ended December 31, 2019, amounted to \$41,950. On June 6, 2018, LAMP Inc. entered into a lease agreement which expires on October 31, 2023. The future minimum rental payments applicable to this lease are as follows:

<u>Year Ending December 31</u>	<u>Amount</u>
2020	\$42,485
2021	44,145
2022	45,122
2023	<u>37,602</u>
Total	<u><u>\$169,354</u></u>

## 9. LITIGATION

There is no pending litigation against LAMP or LAMP, Inc., at December 31, 2019.

## 10. FEDERAL INCOME TAX

LAMP, Inc. is a taxable entity for federal income tax purposes. A net operating loss of \$36,768 was carried over from the 2018 tax return to offset future taxable income. For the year ended December 31, 2019, the Corporation has a net taxable income of \$29,736.



## SUPPLEMENTARY INFORMATION SCHEDULE

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### **Schedule of Investments, December 31, 2019**

Schedule 1 presents the face amount, maturity date, amortized cost, and fair value of individual investments held by the LAMP Pool at December 31, 2019.





**LOUISIANA ASSET MANAGEMENT POOL  
STATE OF LOUISIANA**

**Schedule of Investments, December 31, 2019**

FACE AMOUNT	MATURITY DATE	DESCRIPTION	YIELD	AMORTIZED COST	FAIR VALUE
Federal Home Loan Bank Notes					
\$10,000,000	1/8/2020		1.73%	\$9,996,689	\$9,996,636
10,000,000	1/15/2020		1.73%	9,993,389	9,993,500
10,000,000	1/17/2020		2.03%	9,991,111	9,992,633
10,000,000	1/22/2020		1.99%	9,988,567	9,990,564
10,000,000	1/23/2020		1.72%	10,000,000	10,000,300
10,000,000	1/24/2020		1.68%	9,989,458	9,989,647
15,000,000	1/27/2020		1.60%	14,982,992	14,982,540
19,500,000	1/29/2020		1.84%	19,472,467	19,475,590
10,000,000	2/4/2020		1.87%	9,982,622	9,984,872
15,000,000	2/6/2020		1.61%	14,976,300	14,975,997
15,000,000	2/7/2020		1.60%	14,975,796	14,974,492
30,000,000	2/12/2020		1.60%	29,944,992	29,944,101
20,000,000	2/18/2020		1.60%	19,958,000	19,957,398
30,000,000	2/19/2020		1.60%	29,935,701	29,934,750
6,500,000	2/21/2020		1.61%	6,485,451	6,485,231
30,000,000	2/26/2020		1.62%	29,925,644	29,926,374
10,000,000	3/2/2020		1.63%	9,972,889	9,972,961
25,000,000	3/10/2020		1.59%	24,925,250	24,923,438
15,000,000	3/11/2020		1.60%	14,954,208	14,953,496
14,000,000	3/18/2020		1.61%	13,952,538	13,952,074
10,000,000	3/20/2020		1.63%	9,964,889	9,964,867
25,000,000	4/9/2020		1.62%	24,891,031	24,889,722
20,000,000	4/27/2020		1.62%	19,896,975	19,895,898
10,000,000	5/8/2020		1.73%	9,999,852	10,002,300
10,000,000	5/13/2020		1.60%	9,941,997	9,940,742
10,000,000	5/22/2020		1.64%	9,936,692	9,936,921
25,000,000	5/28/2020		1.62%	24,837,406	24,835,685
20,000,000	6/19/2020		1.63%	19,849,361	19,849,236
15,000,000	6/26/2020		1.62%	14,883,475	14,882,298
10,000,000	3/12/2021		1.66%	9,999,379	10,001,700
<u>\$470,000,000</u>	Total Federal Home Loan Bank Notes			<u>\$468,605,121</u>	<u>\$468,605,963</u>

(Continued)

**LOUISIANA ASSET MANAGEMENT POOL**  
**STATE OF LOUISIANA**  
**Schedule of Investments, December 31, 2019**

FACE AMOUNT	MATURITY DATE	DESCRIPTION	YIELD	AMORTIZED COST	FAIR VALUE
Federal Farm Credit Bank Notes					
\$10,000,000	2/5/2020		1.58%	\$9,999,952	\$9,998,300
20,000,000	2/18/2020		1.67%	19,999,805	20,001,200
15,000,000	4/15/2020		1.71%	15,000,000	14,999,700
19,400,000	5/14/2020		1.69%	19,399,536	19,403,492
11,900,000	5/29/2020		1.76%	11,899,752	11,896,906
10,000,000	7/20/2020		1.76%	9,999,454	9,996,800
10,000,000	1/28/2021		1.85%	10,000,000	9,998,200
5,000,000	2/1/2021		1.78%	4,999,987	5,002,750
15,000,000	2/9/2021		1.67%	14,998,644	14,987,100
20,000,000	3/1/2021		1.75%	19,999,281	19,994,800
32,500,000	5/13/2021		1.78%	32,499,315	32,476,275
21,900,000	6/28/2021		1.82%	21,885,348	21,889,269
11,000,000	7/16/2021		1.74%	10,986,617	10,975,250
5,000,000	7/28/2021		1.91%	5,000,000	5,000,000
10,700,000	12/13/2021		1.83%	10,694,789	10,686,197
3,000,000	12/23/2021		1.89%	3,000,000	3,000,000
<u>\$220,400,000</u>	Total Federal Farm Credit Bank Notes			<u>\$220,362,480</u>	<u>\$220,306,239</u>
Treasury Bill					
<u>\$10,000,000</u>	1/23/2020		2.04%	<u>\$9,987,747</u>	<u>\$9,990,750</u>
Commercial Paper <sup>1</sup>					
\$20,000,000	1/17/2020	MUFG Bank Ltd.	2.14%	\$19,981,244	\$19,985,266
25,000,000	1/17/2020	Toyota Motor Credit Corp.	1.94%	25,000,000	25,000,000
5,000,000	1/22/2020	Svenska Handelsbanken AB	2.02%	4,994,210	4,994,928
20,000,000	1/23/2020	Kells Funding LLC	2.03%	19,975,556	19,975,212
25,000,000	1/24/2020	Bank of Nova Scotia	1.92%	25,000,000	25,000,000
15,000,000	1/27/2020	Bedford Row Funding Corp.	1.94%	15,000,000	15,000,000
5,000,000	1/27/2020	DNB Bank ASA	1.88%	4,993,319	4,993,775
10,000,000	2/3/2020	Erste Abwicklungsanstalt	2.08%	9,981,208	9,984,322
25,000,000	2/4/2020	Canadian Imperial Holding	1.82%	25,000,000	25,000,000
10,000,000	2/4/2020	Erste Abwicklungsanstalt	2.24%	9,979,222	9,983,861
5,000,000	2/4/2020	Svenska Handelsbanken AB	2.01%	4,990,674	4,991,931
20,000,000	2/6/2020	Mizuho Bank Ltd./NY	1.96%	19,961,500	19,966,494
25,000,000	2/7/2020	Mizuho Bank Ltd./NY	2.09%	24,947,249	24,956,985

(Continued)

**LOUISIANA ASSET MANAGEMENT POOL**  
**STATE OF LOUISIANA**  
**Schedule of Investments, December 31, 2019**

FACE AMOUNT	MATURITY DATE	DESCRIPTION	YIELD	AMORTIZED COST	FAIR VALUE
Commercial Paper <sup>1</sup> (Continued)					
15,000,000	2/7/2020	Nederlandse Waterschaps	2.02%	\$14,969,321	\$14,973,717
10,000,000	2/10/2020	Mizuho Bank Ltd./NY	2.03%	9,977,833	9,981,322
15,000,000	2/10/2020	Nederlandse Waterschaps	2.03%	14,966,667	14,971,812
26,750,000	2/11/2020	Kells Funding LLC	2.11%	26,686,786	26,689,457
10,000,000	2/11/2020	Kells Funding LLC	2.06%	9,976,881	9,977,367
10,000,000	2/12/2020	Mizuho Bank Ltd./NY	1.90%	9,978,183	9,980,411
10,000,000	2/14/2020	Bank of Nova Scotia	1.87%	10,000,000	10,000,000
15,000,000	2/14/2020	National Australia Bank Ltd.	1.90%	15,000,000	14,998,500
15,000,000	2/14/2020	Old Line Funding LLC	2.03%	14,963,333	14,969,063
10,000,000	2/18/2020	MUFG Bank Ltd.	2.00%	9,973,733	9,977,406
5,000,000	2/19/2020	Bedford Row Funding Corp.	1.87%	4,987,478	4,987,222
10,000,000	2/20/2020	Mizuho Bank Ltd./NY	1.89%	9,974,167	9,976,483
20,000,000	2/20/2020	Westpac Banking Corp.	1.83%	20,000,772	19,998,000
20,000,000	2/20/2020	NRW. Bank	2.03%	19,944,444	19,952,966
15,000,000	2/24/2020	DNB Bank ASA	2.03%	14,955,000	14,961,958
5,000,000	2/28/2020	Skandinav Enskilda Bank	1.92%	4,984,815	4,986,233
10,000,000	3/2/2020	Mizuho Bank Ltd./NY	1.96%	9,967,382	9,971,067
5,000,000	3/2/2020	NRW. Bank	1.99%	4,983,394	4,985,620
15,000,000	3/2/2020	Toyota Motor Credit Corp.	1.87%	15,000,000	15,000,000
5,000,000	3/4/2020	Svenska Handelsbanken AB	1.88%	4,983,813	4,985,156
10,000,000	3/9/2020	Bank of Montreal	1.87%	9,965,244	9,967,417
5,000,000	3/9/2020	Sumitomo Mitsui Banking	1.93%	4,982,056	4,983,709
20,000,000	3/10/2020	NRW. Bank	2.05%	19,922,950	19,935,444
15,000,000	3/11/2020	MUFG Bank Ltd.	1.92%	14,945,021	14,949,708
15,000,000	3/13/2020	DNB Bank ASA	2.07%	14,939,100	14,949,509
25,000,000	3/16/2020	Skandinav Enskilda Bank	1.98%	24,898,958	24,909,750
20,000,000	3/17/2020	Old Line Funding LLC	2.00%	19,917,244	19,928,988
25,000,000	3/18/2020	Erste Abwicklungsanstalt	2.07%	24,891,344	24,910,083
20,000,000	3/18/2020	Nordea Bank AB	2.09%	19,912,413	19,928,066
9,000,000	3/19/2020	Old Line Funding LLC	1.94%	8,962,950	8,961,685
9,500,000	3/20/2020	Erste Abwicklungsanstalt	2.09%	9,457,263	9,464,955
25,000,000	3/20/2020	Toronto Dominion Bank	1.93%	25,000,000	25,000,000
20,000,000	3/23/2020	Commonwealth Bank of Australia	2.08%	19,907,067	19,923,916
10,000,000	3/26/2020	Svenska Handelsbanken AB	2.05%	9,952,542	9,960,583
15,000,000	4/1/2020	Bank of Montreal	1.93%	14,928,338	14,933,683
18,650,000	4/1/2020	National Australia Bank Ltd.	1.93%	18,560,934	18,571,359
15,000,000	4/1/2020	Skandinav Enskilda Bank	1.93%	14,928,338	14,933,683

(Continued)

**LOUISIANA ASSET MANAGEMENT POOL**  
**STATE OF LOUISIANA**  
**Schedule of Investments, December 31, 2019**

<u>FACE AMOUNT</u>	<u>MATURITY DATE</u>	<u>DESCRIPTION</u>	<u>YIELD</u>	<u>AMORTIZED COST</u>	<u>FAIR VALUE</u>
Commercial Paper (Cont.)					
10,000,000	4/3/2020	NRW. Bank	1.95%	\$9,950,658	\$9,956,656
5,000,000	4/3/2020	Skandinav Enskilda Bank	2.02%	4,974,425	4,977,414
15,000,000	4/6/2020	MUFG Bank Ltd.	1.93%	14,924,400	14,929,675
10,000,000	4/8/2020	NRW. Bank	2.06%	9,945,011	9,954,075
7,000,000	4/8/2020	Svenska Handelsbanken AB	1.87%	6,965,128	6,967,852
5,000,000	4/13/2020	MUFG Bank Ltd.	1.93%	4,972,963	4,974,866
10,000,000	4/14/2020	Australia & New Zealand Banking Group Ltd.	1.97%	9,944,245	9,950,708
10,000,000	4/14/2020	Toyota Motor Credit Corp.	2.04%	9,942,222	9,950,708
10,000,000	4/15/2020	Kells Funding LLC	1.92%	9,945,167	9,943,761
5,000,000	4/15/2020	Toronto Dominion Bank	1.92%	4,972,583	4,972,322
20,660,000	4/16/2020	Old Line Funding LLC	1.95%	20,543,810	20,542,715
10,000,000	4/20/2020	Australia & New Zealand Banking Group Ltd.	1.97%	9,941,028	9,947,275
15,000,000	4/20/2020	Svenska Handelsbanken AB	1.91%	14,914,292	14,920,912
10,000,000	4/21/2020	Skandinav Enskilda Bank	1.90%	9,942,496	9,945,556
10,000,000	4/21/2020	Toyota Motor Credit Corp.	1.91%	9,942,342	9,946,800
10,000,000	4/22/2020	JP Morgan Securities	1.91%	9,941,822	9,945,069
15,000,000	4/23/2020	Skandinav Enskilda Bank	1.90%	14,912,425	14,916,875
10,000,000	4/24/2020	Canadian Imperial Holding	1.96%	10,000,000	9,999,000
15,000,000	4/28/2020	Canadian Imperial Bank of Commerce	1.85%	15,000,000	15,000,000
10,000,000	5/1/2020	National Australia Bank Ltd.	1.90%	10,000,000	10,000,000
15,000,000	5/13/2020	JP Morgan Securities	1.90%	14,896,925	14,901,175
8,000,000	5/14/2020	Australia & New Zealand Banking Group Ltd.	1.88%	7,945,209	7,946,600
10,000,000	5/21/2020	Australia & New Zealand Banking Group Ltd.	1.88%	9,927,933	9,929,000
20,000,000	6/9/2020	Old Line Funding LLC	1.91%	19,834,222	19,837,212
10,000,000	7/1/2020	Bank of Nova Scotia	1.88%	9,906,978	9,908,500
15,000,000	7/13/2020	Royal Bank of Canada	1.94%	15,000,000	14,998,500
15,000,000	7/23/2020	Royal Bank of Canada	2.01%	15,000,000	14,998,500
5,000,000	8/3/2020	Toyota Motor Credit Corp.	2.01%	5,000,000	5,000,000
5,000,000	8/5/2020	Bank of Nova Scotia	1.94%	5,000,000	5,000,000
15,000,000	8/31/2020	Bedford Row Funding Corp.	1.95%	15,000,000	14,998,500
10,000,000	11/25/2020	Westpac Banking Corp.	2.04%	10,000,000	9,999,000
15,000,000	12/4/2020	Westpac Banking Corp.	2.04%	15,000,000	14,998,500
<u>\$1,089,560,000</u>	Total Commercial Paper			<u>\$1,086,336,230</u>	<u>\$1,086,626,798</u>

1 Commercial paper is sold at either a discount or premium - there is no stated rate. The yield reported is the December 31, 2019, effective rate.

**LOUISIANA ASSET MANAGEMENT POOL**  
**STATE OF LOUISIANA**  
**Schedule of Investments, December 31, 2019**

<u>FACE AMOUNT</u>	<u>MATURITY DATE</u>	<u>DESCRIPTION</u>	<u>YIELD</u>	<u>AMORTIZED COST</u>	<u>FAIR VALUE</u>
Repurchase Agreements					
\$3,956,627	1/2/2020		1.52%	\$3,956,627	\$3,956,627
40,000,000	1/2/2020		1.57%	40,000,000	40,000,000
75,000,000	1/7/2020		1.57%	75,000,000	75,000,000
125,000,000	1/2/2020		1.55%	125,000,000	125,000,000
175,000,000	1/2/2020		1.57%	175,000,000	175,000,000
50,000,000	1/2/2020		1.55%	50,000,000	50,000,000
<u>\$468,956,627</u>	Total Repurchase Agreements			<u>\$468,956,627</u>	<u>\$468,956,627</u>
<u>\$2,258,916,627</u>			Totals	<u>\$2,254,248,205</u>	<u>\$2,254,486,377</u>

(Concluded)



OTHER REPORT REQUIRED BY  
*GOVERNMENT AUDITING STANDARDS*

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Exhibit A

The following pages contain a report on internal control over financial reporting and on compliance with laws and regulations and other matters as required by *Government Auditing Standards* issued by the Comptroller General of the United States. This report is based solely on the audit of the financial statements and includes, where appropriate, any significant deficiencies and/or material weaknesses in internal control or compliance and other matters that would be material to the presented financial statements.







LOUISIANA LEGISLATIVE AUDITOR  
DARYL G. PURPERA, CPA, CFE

June 11, 2020

Report on Internal Control over Financial Reporting  
and on Compliance and Other Matters Based on an  
Audit of Financial Statements Performed in  
Accordance with *Government Auditing Standards*

Independent Auditor's Report

**BOARD OF DIRECTORS OF THE LOUISIANA  
ASSET MANAGEMENT POOL, INCORPORATED  
STATE OF LOUISIANA**  
New Orleans, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the fiduciary fund activities of the Louisiana Asset Management Pool (LAMP), a component unit of the state of Louisiana, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise LAMP's basic financial statements, and have issued our report thereon dated June 11, 2020.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered LAMP's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of LAMP's internal control. Accordingly, we do not express an opinion on the effectiveness of LAMP's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a

combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether LAMP's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this communication is distributed by the Legislative Auditor as a public document.

Respectfully submitted,



Daryl G. Purpera, CPA, CFE  
Legislative Auditor

LMF:CLL:BQD:EFS:aa

LAMP 2019